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WMCH GLOBAL INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8208)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



EASY SECURITIES LIMITED

PLACING OF UP TO 120,000,000 NEW SHARES UNDER GENERAL MANDATE

On 15 April 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, of up to 120,000,000 Placing Shares at a price of HK\$0.167 per Placing Share to not less than six Placers who and whose ultimate beneficial owners are independent third parties.

A maximum of 120,000,000 Placing Shares under the Placing represent (i) 20.00% of the existing issued share capital of the Company of 600,000,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 720,000,000 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the date of Completion.

The Placing Price of HK\$0.167 per Placing Share represents (i) a discount of approximately 1.76% to the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 6.70% to the average closing price of approximately HK\$0.179 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

The Placing is conditional upon the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in all the Placing Shares.

The maximum gross proceeds from the Placing will be approximately HK\$20.0 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$19.6 million. The Company intends to apply the entire net proceeds from the Placing to supplement the working capital of the Group.

Shareholders and potential investors should note that the Placing is subject to the condition under the Placing Agreement being fulfilled or the Placing Agreement may be terminated by the Placing Agent at its discretion prior to Completion. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

15 April 2021 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place up to 120,000,000 Placing Shares on a best effort basis and will receive a placing commission of 1.00% of the amount that is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent on behalf of the Company. The placing commission in respect of the Placing was negotiated on an arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares. The Directors are of the view that the placing commission of 1.00% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares, on a best effort basis, at the price of HK\$0.167 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are independent third parties not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) of the Company immediately after Completion.

Number of Placing Shares

A maximum of 120,000,000 Placing Shares under the Placing represent (i) 20.00% of the existing issued share capital of the Company of 600,000,000 Shares as at the date of this announcement and (ii) approximately 16.67% of the issued share capital of the Company of 720,000,000 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the date of Completion.

Placing Price

The Placing Price of HK\$0.167 per Placing Share represents (i) a discount of approximately 1.76% to the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on the date of this announcement, being the date of the Placing Agreement; and (ii) a discount of approximately 6.70% to the average closing price of approximately HK\$0.179 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

The net Placing Price under the Placing is approximately HK\$0.163 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM on 19 June 2020, subject to the limit of not exceeding 20.00% of the aggregate number of the issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 120,000,000 new Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval.

Condition of the Placing

Completion of the Placing Agreement is conditional upon the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in all of the Placing Shares.

If the foregoing condition is not fulfilled on or before 30 April 2021 (or such later date as may be agreed by the Company and the Placing Agent), all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties to the Placing Agreement shall have any claim against the other thereto.

Application will be made by the Company to the Stock Exchange for the granting of approval for the listing of, and permission to deal in, the Placing Shares.

Termination and force majeure events

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of Completion if:

- (a) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (b) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (c) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or make it inadvisable or inexpedient for the Placing to proceed; or
- (d) any statement contained in the Previous Announcements has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the date of Completion if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the terms and conditions mentioned under this section headed “Termination and force majeure events” of this announcement, all liabilities of the parties to the Placing Agreement thereunder shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion shall take place at 4:00 p.m. on the fourth Business Day after the fulfillment of the condition set out in the section headed “Condition of the Placing” of this announcement (or such other date as the Placing Agent and the Company may agree in writing).

Shareholders and potential investors should note that the Placing is subject to condition under the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the provision of civil and structural engineering consultancy services and other services including master planning, structural due diligence and visual inspection of existing buildings.

Due to the outbreak of a novel coronavirus (COVID-19) and the lockdown measures implemented by both Singapore and Vietnam governments, the Group's construction projects experienced delays and extensions which caused the Group's revenue for the year ended 31 December 2020 to decrease significantly by approximately S\$3.7 million (equivalent to approximately HK\$21.0 million) or 28.5% from approximately S\$13.0 million (equivalent to approximately HK\$74.9 million) for the year ended 31 December 2019. The Group's cost of services for the year ended 31 December 2020 also increased significantly by approximately S\$1.8 million (equivalent to approximately HK\$10.4 million) or 26.5% from approximately S\$6.8 million (equivalent to approximately HK\$39.5 million) for the year ended 31 December 2019, which was largely due to the payment of special bonus to the Group's Singapore staff in January 2020 and the increase in manpower due to increased workload caused by the delayed and extended projects. As a result, the Group recorded a loss of approximately S\$3.3 million (equivalent to approximately HK\$19.2 million) for the year ended 31 December 2020. While the Group had cash and bank balances of approximately S\$4.8 million (equivalent to approximately HK\$27.8 million) as at 31 December 2020, a substantial portion of which represented unutilised net proceeds from the initial listing of the Shares. The Directors expect to use such unutilised net proceeds in accordance with the Company's plan as disclosed in the prospectus dated 28 June 2019 save for the delayed timeline. Please refer to the Company's annual report for the year ended 31 December 2020 for further details.

In order to remain competitive and to improve the Group's liquidity in the current challenging business environment, the Company intends to apply the entire net proceeds from the Placing to supplement the working capital of the Group.

The maximum gross proceeds from the Placing will be approximately HK\$20.0 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$19.6 million.

The Directors are of the view that the Placing will provide a good opportunity to raise additional funds to improve the liquidity, strengthen the financial position and broaden the capital base of the Group so as to facilitate its future development. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY DURING THE PAST 12 MONTHS

The Company has not conducted any other fund raising exercises in the past twelve months immediately before the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon Completion are set out below for illustration purposes:

Shareholders	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholders:				
WMCH Global Holdings Limited <i>(Notes 1 and 2)</i>	450,000,000	75.00	450,000,000	62.50
Public Shareholders:				
Placees <i>(Note 3)</i>	—	—	120,000,000	16.67
Others	<u>150,000,000</u>	<u>25.00</u>	<u>150,000,000</u>	<u>20.83</u>
Total	<u><u>600,000,000</u></u>	<u><u>100.00</u></u>	<u><u>720,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. WMCH Global Holdings Limited (“**WMCH Global**”) is beneficially owned as to 55.00% by Mr. Wong Seng (“**Mr. Wong**”), 20.00% by Ms. Leow Geok Mui (“**Ms. Leow**”), 17.50% by Mr. Lim Chin Keong (“**Mr. Lim**”) and 7.50% by Mr. Heng Kim Huat (“**Mr. Heng**”). As such, WMCH Global, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng are a group of controlling shareholders of the Company for the purpose of the GEM Listing Rules. Under the SFO, each of Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng is deemed to be interested in 450,000,000 Shares held by WMCH Global.
2. Ms. Tan Seow Hong is the spouse of Mr. Wong and is therefore deemed to be interested in all the Shares which Mr. Wong is interested in for the purpose of the SFO.
3. Assuming no other issue of new Shares and no repurchase of existing Shares before Completion, and the Placing Agent has placed the maximum number of the Placing Shares, being 120,000,000 new Shares, to not less than six independent Placees. It is expected that none of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) of the Company immediately after Completion.

GENERAL

The Placing is not subject to Shareholders’ approval as the Placing Shares will be issued under the General Mandate.

Pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, in the discretion of the Placing Agent, to terminate the Placing Agreement prior to the condition in the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

“AGM”	the annual general meeting of the Company held on 19 June 2020 at which, among others, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders;
“Board”	the board of directors of the Company;
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“Company”	WMCH Global Investment Limited (Stock Code: 8208), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM of the Stock Exchange;
“Completion”	completion of the Placing in accordance with the terms and condition as set out in the Placing Agreement;
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Committee”	has the meaning ascribed thereto in the GEM Listing Rules;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with new Shares not exceeding 20.00% of the aggregate number of the issued Shares as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Placee(s)”	any professional institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement;

“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the condition set out in the Placing Agreement;
“Placing Agent”	Easy Securities Limited, a licensed corporation to carry on business type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO;
“Placing Agreement”	a conditional placing agreement dated 15 April 2021 entered into between the Company and the Placing Agent in relation to the Placing;
“Placing Price”	the price of HK\$0.167 per Placing Share;
“Placing Shares”	up to 120,000,000 new Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement which will rank <i>pari passu</i> in all respects with the Shares in issue as at the date of allotment of the Placing Shares;
“Previous Announcements”	all announcements, circulars, quarterly, interim and annual reports issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 31 December 2020;
“S\$”	Singapore dollars, the lawful currency of Singapore;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	the shareholders of the Company;
“Singapore”	the Republic of Singapore; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

For the purpose of this announcement and for illustrative purpose only, S\$ is converted into HK\$ at the rate of S\$1 = HK\$5.78. No representation is made that any amounts in S\$ have been or could be converted at the above rate or at any other rates.

By Order of the Board
WMCH Global Investment Limited
Wong Seng
Chairman and Executive Director

Hong Kong, 15 April 2021

As at the date of this announcement, the executive Directors are Mr. Wong Seng, Ms. Leow Geok Mui, Mr. Lim Chin Keong and Mr. Heng Kim Huat and the independent non-executive Directors are Dr. Tan Teng Hooi, Mr. Leong Jay and Mr. Ng Shing Kin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This notice will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and will also be published on the Company’s website at www.tw-asia.com.